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HOUSE BILL 1121

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

FRANK BIRD

AN ACT

RELATING TO TAXATION; REDUCING INCOME TAX RATES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-2-7 NMSA 1978 (being Laws 1994, Chapter 5, Section 20) is amended to read:

"7-2-7. INDIVIDUAL INCOME TAX RATES. --The tax imposed by Section 7-2-3 NMSA 1978 shall be at the following rates for any taxable year beginning on or after January 1, ~~[1996]~~ 1997:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over <del>[\$4,000</del>	<del>[1.7% of taxable income</del>
<del>Over \$4,000 but not over] \$8,000</del>	<del>\$68.00 plus 3.2% of</del>
	<del>excess over \$4,000] - 0 -</del>
Over \$8,000 but not over \$12,000	\$196 plus 4.7% of
	excess over \$8,000

Underscored material = new  
[bracketed material] = delete

Underscored material = new  
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1 Over \$12,000 but not over \$20,000 \$384 plus 6.0% of  
2 excess over \$12,000  
3 Over \$20,000 but not over \$32,000 \$864 plus 7.1% of  
4 excess over \$20,000  
5 Over \$32,000 but not over \$50,000 \$1,716 plus 7.9% of  
6 excess over \$32,000  
7 Over \$50,000 \$3,138 plus 8.5% of  
8 excess over \$50,000.

9 B. For surviving spouses and married individuals  
10 filing joint returns:

11 If the taxable income is:	The tax shall be:
12 Not over [ <del>\$8,000</del>	[ <del>1.7% of taxable income</del>
13 <del>Over \$8,000 but not over] \$16,000</del>	<del>\$136 plus 3.2% of excess</del>
14	<del>over \$8,000] - 0 -</del>
15 Over \$16,000 but not over \$24,000	\$392 plus 4.7% of
16	excess over \$16,000
17 Over \$24,000 but not over \$40,000	\$768 plus 6.0% of
18	excess over \$24,000
19 Over \$40,000 but not over \$64,000	\$1,728 plus 7.1% of
20	excess over \$40,000
21 Over \$64,000 but not over \$100,000	\$3,432 plus 7.9% of
22	excess over \$64,000
23 Over \$100,000	\$6,276 plus 8.5% of
24	excess over \$100,000.

25 C. For single individuals and for estates and

1 trusts:

2	If the taxable income is:	The tax shall be:
3	Not over [ <del>\$5,500</del>	<del>[1.7% of taxable income</del>
4	<del>Over \$5,500 but not over] \$11,000</del>	<del>\$93.50 plus 3.2% of</del>
5		<del>excess over \$5,500] - 0 -</del>
6	Over \$11,000 but not over \$16,000	\$269.50 plus 4.7% of
7		excess over \$11,000
8	Over \$16,000 but not over \$26,000	\$504.50 plus 6.0% of
9		excess over \$16,000
10	Over \$26,000 but not over \$42,000	\$1,104.50 plus 7.1% of
11		excess over \$26,000
12	Over \$42,000 but not over \$65,000	\$2,240.50 plus 7.9% of
13		excess over \$42,000
14	Over \$65,000	\$4,057.50 plus 8.5% of
15		excess over \$65,000.

16 D. For heads of household filing returns:

17	If the taxable income is:	The tax shall be:
18	Not over [ <del>\$7,000</del>	<del>[1.7% of taxable income</del>
19	<del>Over \$7,000 but not over] \$14,000</del>	<del>\$119 plus 3.2% of excess</del>
20		<del>over \$7,000] - 0 -</del>
21	Over \$14,000 but not over \$20,000	\$343 plus 4.7% of
22		excess over \$14,000
23	Over \$20,000 but not over \$33,000	\$625 plus 6.0% of
24		excess over \$20,000
25	Over \$33,000 but not over \$53,000	\$1,405 plus 7.1% of

1 excess over \$33,000  
2 Over \$53,000 but not over \$83,000 \$2,825 plus 7.9% of  
3 excess over \$53,000  
4 Over \$83,000 \$5,195 plus 8.5% of  
5 excess over \$83,000.

6 E. The tax on the sum of any lump-sum amounts  
7 included in net income is an amount equal to five multiplied by  
8 the difference between:

9 (1) the amount of tax due on the taxpayer's  
10 taxable income; and

11 (2) the amount of tax that would be due on an  
12 amount equal to the taxpayer's taxable income and twenty percent  
13 of the taxpayer's lump-sum amounts included in net income."